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direct costs, are reduced when the average capacity of cars and the average carload are increased; and vice versa. As the hauling of dead weight does increase the indirect as well as the direct costs, it follows that, contrary to Mr. Strombeck's theory, the part of the rate covering the indirect costs also should increase with the dead weight. I prefer the terms "divisible" and "indivisible" to the terms "direct" and "indirect" or "variable" and "constant." It does not follow because a large part of the total costs are mathematically indivisible that they are also constant for each unit of traffic. In spite of Mr. Strombeck's argument to the contrary I believe that the gross tonnage it is necessary to haul to move a given tonnage of freight is the best unit available on which to compute the total cost of moving the freight.

SAMUEL O. DUNN.

Railway Age Gazette.

How to Analyze Railroad Reports. By JOHN MOODY. (New York: Analyses Publishing Company, 1912. Pp. 224. \$2.50.)

The only way to acquire a real knowledge of how to analyze annual reports of railroad companies is to read the reports themselves. These reports are written in a certain language and it is as impossible to learn to read and make an analysis of a railroad report by only studying a textbook on the subject, as it is to learn to read German by only studying a German grammar. Mr. Moody's little book must be considered, therefore, as a popular and quite simply written help in learning the language of railroad annual reports. After outlining briefly the problems that are met in making an investment in railroad securities, based on personal investigation of the subject, Mr. Moody describes first the physical factors of the railroad; second, the income factors; and third, the capitalization factors. Room is given for only a very superficial discussion of a great many of the points that are to be considered in making an analysis of a road's earning power and of its securities as safe or profitable investments.

There is a great deal contained in this little book that the general public who, without hesitation discuss railroad problems, have not even the faintest idea of. On the other hand, there is nothing in the book that one who has made any study of railroad securities as investments does not already know. The

classic on the subject of analysis of railroad reports is a little book, published a number of years ago, by Thomas F. Woodlock, *The Anatomy of a Railroad Report*. While, as Mr. Moody points out, accounting methods have changed materially since this was published, the underlying principles of the analysis of railroad earning power have changed very little indeed. Mr. Moody's book is probably easier to read and understand than its predecessor, and it has this advantage, that it was written after the Interstate Commerce Commission had promulgated its uniform system of accounting for railroads doing an interstate business. As a popular and easy exposition of the meaning of an annual report, Mr. Moody's book fills a quite important want. As a serious contribution, however, to literature on the subject of railroad statistics, it cannot properly be compared with the older book on the same subject.

W. E. HOOPER.

Railway Age Gazette.

NEW BOOKS

- BLACK, M. *A terminal market system, New York's most urgent need; some observations, comments, and comparisons of European markets.* (New York: The Willet Press. 1912. Pp. 31, illus. 25c.)
- DUNN, S. O. *Some often overlooked points regarding government ownership of railways.* (Chicago: S. O. Dunn, Railway Age Gazette. 1912. Pp. 25.)
Address delivered before the Traffic Club of New England at Boston, Dec. 6, 1912.
- ELFAS, F. *Die ausnahmetarife im Güterverkehr der preussisch-hessischen Eisenbahngemeinschaft. Ein Beitrag zur gegenwärtigen Eisenbahntarifpolitik.* Tübinger Staatswissenschaftliche Abhandlungen, 26. (Stuttgart: Ferdinand Enke. 1913. Pp. xiv, 151. 6.20 m.)
- FRITSCH, K. *Handbuch der Eisenbahngesetzgebung in Preussen und dem Deutschen Reiche.* Second edition, revised. (Berlin: Julius Springer. 1912. 19 m.)
- HERSCHEL, F. B. *Entwicklung und Bedeutung der Hamburg-Amerika-Linie.* (Berlin: A Seydel. 1912. Pp. vii, 143. 2 m.)
- MARCUS, F. *Etat und Bilanz für staatliche und kommunale Wirtschaftsbetriebe.* (Berlin: Springer. 1912. 1.60 m.)
- PIOT, G. *De l'application des prix des tarifs de chemins de fer.* (Paris: A. Rousseau. 1913. Pp. 328. 6 fr.)
- VAN SOEREN, J. C. and PRINSEN, A. J. B. *The world's shipping financially, 1907-1911.* (Amsterdam: Van Soeren & Co. 1912.)